

Message Text

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PAGE 01 STATE 189267
ORIGIN EB-08

INFO OCT-01 ARA-10 ISO-00 IO-13 TRSE-00 AGRE-00 SP-02
AID-05 NSC-05 SS-15 STR-04 OMB-01 CEA-01 H-01
L-03 CIAE-00 INR-07 NSAE-00 COME-00 FRB-03 INRE-00
NSCE-00 SSO-00 USIE-00 PA-01 PRS-01 /081 R

DRAFTED BY EB/IFD/OMA:BCROWE:SB
APPROVED BY EB/IFD/OMA:JABWINDER
ARA/ECP:SROGERS
ARA/CAR:GDESANTILLANA
IO/UVP:DSCHIELE
TREASURY:DWALKOW
USDA:FPLYBON(SUBS)

-----079839 102236Z /64

O 102148Z AUG 77
FM SECSTATE WASHDC
TO AMEMBASSY SANTO DOMINGO IMMEDIATE
INFO AMEMBASSY PORT OF SPAIN IMMEDIATE
AMEMBASSY CARACAS

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E.O. 11652: N/A

TAGS: OVIP(YOUNG, ANDREW),DR, EFIN

SUBJECT: ROLLOVER OF PL-480 INDEBTEDNESS

REF: (A) SANTO DOMINGO 4871
(B) SANTO DOMINGO 4910

1. WE APPRECIATE THE DIFFICULTIES THE PROLONGED SLUMP IN
WORLD SUGAR PRICES IS CAUSING FOR DOMINICAN REPUBLIC'S
BALANCE OF PAYMENTS, AND YOUR DESIRE TO ASSIST THE GODR.
THE USG HOWEVER, VIEWS DEBT RESCHEDULING AS AN EXTRAORDIN-
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ARY DEVICE AND NOT AS A NORMAL CHANNEL FOR PROVIDING
DEVELOPMENT ASSISTANCE.

2. IN OUR CONTACTS WITH OTHER CREDITOR COUNTRIES, WITH
INDIVIDUAL DEBTOR COUNTRIES, AND IN INTERNATIONAL FORA, WE
HAVE CONSISTENTLY STRESSED THAT LEGAL AND CONGRESSIONAL
CONSTRAINTS REQUIRE THE USG TO DISTINGUISH DEBT RELIEF FROM

AID. IF WE WERE TO ADOPT A PRACTICE OF USING DEBT RELIEF AS A METHOD OF AVOIDING BUDGETARY APPROPRIATIONS (E.G. BY USING DEBT RELIEF FOR DEVELOPMENT ASSISTANCE) WE BELIEVE CONGRESS WOULD REDUCE THE FLEXIBILITY OF THE EXECUTIVE BRANCH TO DEAL WITH SERIOUS DEBT SERVICING CRISES.

3. THE GODR IS NOT IN SUCH A SITUATION. AS NOTED IN REF (B), ITS CURRENT BALANCE OF PAYMENTS DEFICIT IS MANAGEABLE AND MODERATE FOR THE DOMINICAN ECONOMY. THE GODR, WHICH HAS EXPERIENCED AN UPSWING IN THE PRICES OF SOME COMMODITY EXPORTS, IS IN FACT IN A BETTER FINANCIAL SITUATION THAN MANY OTHER OIL-IMPORTING LDCS. THUS TO DEVIATE FROM USG POLICY ON DEBT RESCHEDULING FOR THE GODR WOULD BE INEQUITABLE AND WOULD ESTABLISH A PRECEDENT WE WISH TO AVOID.

4. IN REPLY TO PRESIDENT BALAGUER'S PROPOSAL, YOU MAY DRAW ON THE ABOVE, STRESSING U.S. VIEWS DEBT RESCHEDULING AS AN EXTRAORDINARY DEVICE APPROPRIATE ONLY FOR COUNTRIES, SUCH AS ZAIRE IN 1976 AND 1977, UNABLE TO SERVICE THEIR DEBT OBLIGATIONS. YOU MAY ALSO WISH TO POINT OUT THE POSSIBLE NEGATIVE EFFECT OF RESCHEDULING ON ACCESS TO PRIVATE CAPITAL MARKETS. CHRISTOPHER

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: SUGAR, DEBT REPAYMENTS, PRICES
Control Number: n/a
Copy: SINGLE
Sent Date: 10-Aug-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977STATE189267
Document Source: CORE
Document Unique ID: 00
Drafter: BCROWE:SB
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770288-0579
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770875/aaaacjlp.tel
Line Count: 85
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: f028a45c-c288-dd11-92da-001cc4696bcc
Office: ORIGIN EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
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Previous Handling Restrictions: n/a
Reference: 77 SANTO DOMINGO 4871, 77 SANTO DOMINGO 4910
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 18-Jan-2005 12:00:00 am
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Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1641782
Secure: OPEN
Status: NATIVE
Subject: ROLLOVER OF PL-480 INDEBTEDNESS
TAGS: OVIP, EFIN, DR, (YOUNG, ANDREW)
To: SANTO DOMINGO
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/f028a45c-c288-dd11-92da-001cc4696bcc
Review Markings:
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